

and (b) along with IFCI and ICICI, direct loan assistance upto Rs. 2 crores and underwriting assistance upto Rs. 1 crore on concessional terms to new projects as well as to expansion, diversification, renovation and rehabilitation programmes of existing units.

The concessions in respect of direct assistance to units located in backward areas include a lower rate of interest, viz., 9-5 per cent per annum against the present normal rate of 11-0 per cent; a reduced commitment charge of 0-5 per cent (which could be waived altogether in exceptional cases); lower underwriting commission of 1-25 per cent and 0-75 per cent for shares and debentures respectively; initial moratorium period upto 5 years; longer amortisation period of 15 to 20 years and participation in the Risk Capital on a selective basis. Besides, the IDBI follows a flexible attitude in respect of Promoters' contribution, margin requirements, rescheduling of repayment during the currency of loan, etc., depending on the merits of specific cases. In respect of refinance, the IDBI charges a special rate of 6 per cent, with the primary lender's rate being subject to a ceiling of 9-5 per cent; the normal rate of refinance is 9% with a ceiling of 121% by the primary lending institution.

II. Concessions to projects promoted by New Entrepreneurs and Technocrats—The IDBI takes special care to be of assistance to projects promoted by new and technician entrepreneurs and extends the following important incentives in the field of direct assistance.

- (i) relaxation of the normal criterion of 20 per cent, promoter's contribution by 5 per cent (*i.e.* 15 per cent);
- (ii) underwriting of relatively larger proportion of Risk Capital.
- (Hi) assistance in preparation of detailed feasibility reports;
- (iv) relaxation of debt-equity norm and extension of moratorium and loan repayment period.

In the field of indirect assistance, following concessions are offered for technician entrepreneurs :

- (0) debt-equity ratio is relaxed upto 15:85;

(ii) refinance assistance in the case of projects sponsored under State Govt's technician entrepreneur schemes is granted on semi-automatic basis,

(jit) the requirement regarding promoter's contribution is relaxed upto 15 per cent (as against normal 20 per cent) and is entirely waived in the case of projects under State Government's technician entrepreneur scheme.

III Other Concessions offered are :

(i) Seed Capital Loans :

IDBI has agreed to treat the Seed Capital loans made under the Government of India's Half-a-Million job programme for educated unemployed as equity and also consider it as promoter's contribution for judging the adequacy thereof as also for the debt-equity ratio.

(ii) National Permit Scheme :

The IDBI has decided to provide 100% refinance for loans to Road Transport Operators holding National permits, where requirement regarding promoter's stake/contribution is also waived.

187. [Transferred to the 26th May, 1976.]

Pre-Budget and post-Budget Price Indices

188. SHRI SYED NIZAM-UD-DIN :
SHRI LEONARD SOLOMAN
SARING :

SHRI GIAN CHAND TOTU : Will the Minister of FINANCE be pleased to state:

(a) what is the difference between the pre and post 1976-77 Budget price indices; and

(b) what are the names of the essential commodities prices of which have shown an upward trend or remained static in the post 1976-77 Budget period ?

THE MINISTER OF FINANCE (SHRI C. SUBRAMANIAM): (a) The Wholesale Price Index (1961-62=100) has risen by 2-5 per cent between March 13 and April 24, 1976.

(b) The prices of certain industrial raw materials and of some food items such as potatoes, oranges and bananas, milk and

ghee, mustard oil, gur and spices and condiments have tended to rise. The index for foodgrains, however, continues to decline." The prices of coal and kerosene, have/e" ed unchanged; those of most manufaih goods have also remained steady on the whole.

Indo-Rumania joint ventures in third countries

189. SHRIMATI SAVITA BEHEN : Will the Minister of COMMERCE be pleased to state :

(a) whether India and Rumania have lately been exploring the possibilities of setting up joint ventures in third countries ; if so, what has been the outcome thereof ; and

(b) what are the names of third countries where such joint ventures are proposed to be set up and what are the details in this regard ?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI VISHWANATH PRATAP SINGH) : (a) Governments of India and Rumania have agreed to promote collaboration between industrial and trading enterprises in the two countries for the purpose of pooling together their resources and expertise for joint marketing in third countries and for meeting the needs of industrial development programmes in third countries on the basis of joint cooperation.

(b) Discussions are continuing between the two countries.

Survey on the working of commercial banks

190. SHRI RABI RAY : Will the Minister of REVENUE AND BANKING be pleased to state :

(a) whether Government's attention has been drawn to the report of a recent survey conducted by the National Institute of Bank Management to the effect that commercial banks are yet to become a service oriented organisation ;

(b) if so., what are the details in this regard ; and

(c) what steps Government have taken Cr propose to take to convert the banks from mere lending institutions to service oriented organisations ?

THE MINISTER OF REVENUE & BANKING (SHRI PRANAB MUKHERJEE):-

(a) and (b) In .1975 the National Institute of Bank Management conducted a survey of 90 commercial bank branches in Bombay City and its suburbs for studying the quality-of Customer Service offered by them. The survey revealed certain areas of deficiency in the operation of bank branches in the matter of relationship with and service to customers. These included both procedure and practices and conduct and attitude of the managers and other employees. The survey also concluded that smaller branches served small customers better than the bigger ones.

(c) A Working Group of bankers was set up by Government in March, 1975 to identify the problems of customer service in banks and for suggesting measures to improve the same. In its interim report the Working Group has made a number of recommendations. Except a few recommendations which require further examination and legislative action, the others have either been implemented or are under implementation in Public sector banks. For achieving staff involvement in improved customer service, each public sector bank has set up an implementation committee with the chief executive of the bank as the Chairman and employees of various levels as Members for implementing the recommendations and monitoring the progress.

Short-haul jet for LA.

191. SHRI RABI RAY : Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state :

(a) whether if is a fact that the decision on the choice of a short-haul jet aircraft for the Indian Airlines has not been taken so far ; and

(b) if so, what are the reasons for the delay and by when a final decision is likely to be taken ?

THE MINISTER OF TOURISM AND CIVIL AVIATION SHRI RAJ BAHADUR:-

(a) and (b) Indian Airlines are presently studying different types of short-haul jet aircraft which could be added to their fleet. They are also going through the sales proposals submitted by the manufactures.